



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

NOTICE OF FILING AND REQUEST FOR COMMENT

D.T.E. 06-101

November 7, 2006

Petition of the Massachusetts Division of Energy Resources for an Investigation Into Dynamic Pricing for Basic/Default Service.

On October 31, 2006, the Commonwealth of Massachusetts Division of Energy Resources ("DOER") filed a petition requesting that the Department of Telecommunications and Energy ("Department") conduct an investigation or a series of investigations into the potential benefits of implementing dynamic pricing for all basic/default customers in Massachusetts. Dynamic pricing describes a pricing structure where retail prices are more closely aligned with the wholesale price of electricity. Specifically, DOER requests that the Department open an investigation into basic/default service prices that:

- are based on hourly, wholesale prices for large commercial and industrial ("C&I") customers (i.e., "real-time pricing");
- are differentiated between on and off-peak consumption for residential, and small and medium C&I customers (i.e., "time of use rates"); or
- otherwise may be proposed by stakeholders, including hybrids such as critical peak pricing and variable peak pricing.

As part of this investigation, DOER states that it will conduct a study to evaluate the costs and benefits of various alternate basic/default service pricing structures. Within three months of opening such an investigation, DOER states that it will present the findings of this study, including expert testimony in support of its particular pricing proposals, for Department consideration. This petition has been docketed as D.T.E. 06-101.

The Department seeks comment on DOER's petition. Specifically, the Department asks that interested persons comment on the appropriate scope and procedural conduct of a Department investigation into dynamic pricing including whether an initial phase of the investigation should address real-time pricing for larger C&I customers, with consideration of dynamic pricing for residential and other C&I customers to undertaken separately in a later investigation.

Any persons wishing to submit written comments on this petition should do so no later than the close of business (5:00 p.m.) on **Tuesday, November 28, 2006**. An original and ten (10) copies of all comments must be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station - 2nd Floor, Boston, Massachusetts 02110. One copy of all comments should also be sent to legal counsel for DOER, Rachel Graham Evans, Massachusetts Division of Energy Resources, 100 Cambridge St., Suite 1020, Boston, Massachusetts 02114.

All comments also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and jeanne.voveris@state.ma.us, or (2) on a 3.5" disk or CD-ROM. The text of the e-mail, disk label, or CD-ROM must specify: (1) the docket number of the proceeding (D.T.E. 06-101), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title and telephone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or Adobe Acrobat. Data or spreadsheet responses should be compatible with Microsoft Excel. The Department is unable to accept scanned files (including scanned "pdf" files) at this time. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dte>.

A copy of DOER's petition is on file at the Department's offices, One South Station, Boston, Massachusetts for public viewing during normal business hours and also is available on the Department's website.

Any person desiring further information regarding DOER's petition should contact Rachel Graham Evans, DOER Legal Counsel, at (617) 727-4732. Any person desiring further information regarding this notice should contact Jeanne L. Voveris, Department Hearing Officer, at (617) 305-3500.